



Report of the Subcommittee on
Capital Outlay &
Transportation

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 18, 2024



2024 Report of the Capital Outlay & Transportation Subcommittee
The Honorable Jeremy S. McPike, Chair
February 18, 2024

Madam Chair and Members of the Committee:

The Capital Outlay and Transportation Subcommittee worked diligently to review the introduced budget as it relates to capital outlay and transportation.

As you will recall, the introduced budget proposed almost \$2.1 billion over the biennium in additional capital outlay spending with almost \$916.6 million in general fund cash, \$749.9 million in nongeneral fund cash, \$334.9 million in tax-supported debt, and \$133.6 million in revenue bond proceeds. The introduced budget set the course for using cash for capital outlay and underscores a shared commitment for a pay-as-you-go capital program when the state has readily available cash.

As we have experienced inflation in all areas of our budget, significant cost increases have occurred over previously budgeted project amounts. Inflation is expected to moderate, but these projects represent our commitments and still require funding for the construction. Therefore, we fully endorse the Governor's proposed additional \$250.0 million to supplement capital projects for inflationary cost increases.

The priority of the Commonwealth should always be focused on maintaining our existing capital assets. The Subcommittee ensures maintenance reserve is funded in both years of the biennium and that it is funded in cash. We increase maintenance reserve allocations by \$95.0 million for a reserve program totaling \$499.0 million.

As always, we maintain our long-standing practice of strong fiscal management and resisted the urge to issue more debt even if it is available

in our Debt Capacity Model. The Subcommittee's recommendations reduce tax-supported bond authorizations by \$89.5 million.

In addition, we align capital funding to the Committee's planned transfers from the Revenue Reserve Fund. Even though we can transfer these funds due to exceeding the limit on the combined reserve funds balance, we prudently directed these one-time funds to one-time capital projects that are currently in planning.

Our recommended amendments increase overall general fund cash in capital outlay by \$580.1 million as compared to the introduced budget.

- We fully fund a new state office building as it had been previously legislatively authorized and consequently defer long term leases for Capitol Square agencies.
- We authorize full construction for Norfolk State's Fine Arts Building, Virginia State's urban agriculture center and critical waterproofing projects, and Christopher Newport's modern plant operations building.
- We recommend inclusion of seven education projects for detail planning and five education projects for pre-planning.

In the area of transportation, the Subcommittee continues the prudent fiscal practice of limiting general fund support or only providing general fund support when one-time funding is available. We discussed high priority needs across the state, including I-81 safety, toll relief, and the Northern Virginia transportation network.

We recommend continuing the conversations around the financing of the Washington Metropolitan Transportation Authority in accordance with post-pandemic commuting patterns. The Subcommittee recommends enhanced reporting and consultation requirements while temporarily lifting the cap on the allowed budget growth for the Metro system.

This completes the report of the Subcommittee on Capital Outlay and Transportation, and I would like to conclude by expressing my appreciation to the members of the Subcommittee for their diligent efforts in shaping these recommendations.

Respectfully Submitted,

The Honorable Jeremy S. McPike, Chair

The Honorable R. Creigh Deeds

The Honorable Mamie E. Locke

The Honorable Ryan T. McDougle

The Honorable Mark D. Obenshain

The Honorable Jennifer B. Boysko

Report of the Subcommittee on Capital Outlay and Transportation
(Proposed Amendments to SB 29 & SB 30 as Introduced, 2024 Session)

Amendment	SB 29		SB 30, Biennial				Total
	FY 2024 GF	GF	NGF	9(c) Bonds	9(d) Bonds	Tax Supported Debt	
Capital Outlay							
DHR - Construct Clermont Farm Barn Replacement Supplement	\$ 1,400,000						\$ -
DGS - Defer Relocation of Monroe Building Tenants & Demolition		\$ (50,000,000)					\$ (50,000,000)
DGS - Construct Commonwealth Courts Building							\$ -
CWM - Renovate James Monroe Highland		\$ 2,685,600					\$ 2,685,600
JMU - Construct Health and Behavioral Studies Expansion Planning		\$ 3,937,982	\$ 3,937,982				\$ 7,875,964
ODU - Construct Engineering & Arts Building Planning		\$ 9,000,000	\$ 3,000,000				\$ 12,000,000
UVA - Construct Center for the Arts Planning			\$ 15,300,000				\$ 15,300,000
VCU - Defer Construct Dental School Building Planning			\$ (5,200,000)				\$ (5,200,000)
VMI - Construct Moody Hall Planning							\$ -
VSU - Renovate Summerseat for Urban Agriculture Center		\$ 12,714,000					\$ 12,714,000
Gunston Hall - East Yard Project		\$ 2,500,000					\$ 2,500,000
Gunston Hall - Construct New Archaeology Center and Maintenance Facility		\$ 5,000,000					\$ 5,000,000
JYF - Renovate Susan Constant		\$ 4,712,381					\$ 4,712,381
DCR - Natural Tunnel State Park Renovations		\$ 4,000,000					\$ 4,000,000
DCR - Widewater State Park Phase II		\$ 10,000,000					\$ 10,000,000
DCR - Defer Acquisition of Land for State Parks			\$ (2,660,000)				\$ (2,660,000)
DCR - Eliminate Debt Funded Land Acquisition						\$ (3,500,000)	\$ (3,500,000)
DWR - Repair and Upgrade Lake Shenandoah Dam		\$ 3,000,000					\$ 3,000,000
DMA - Defer Construct Indoor Small Arms Firing Range at SMR			\$ (30,000,000)				\$ (30,000,000)
Eliminate GF & Debt Funded Umbrella Projects for Deferred Maintenance		\$ (35,000,000)				\$ (86,000,000)	\$ (121,000,000)
Increase Central Maintenance Reserve Allocations & Distribute Each Fiscal Year		\$ 95,000,000					\$ 95,000,000
Capital Equipment Funding Pool		\$ 6,088,663					\$ 6,088,663
Central Capital Planning Pool		\$ (16,359,775)	\$ 250,000				\$ (16,109,775)
2024 State Agency Capital Pool		\$ 307,996,945					\$ 307,996,945
2024 Higher Education Capital Pool		\$ 214,863,076					\$ 214,863,076
Language Amendments							\$ -
Total, Capital Outlay	\$ 1,400,000	\$ 580,138,872	\$ (15,372,018)	\$ -	\$ -	\$ (89,500,000)	\$ 475,266,854

Amendment	SB 29		SB 30				Biennial NGF
	FY 2024 GF	FY 2025 GF	FY 2026 GF	Biennial GF	FY 2025 NGF	FY 2026 NGF	
Transportation							
DMV - Implement Sealing and Expungement Legislation		\$ 442,500	\$ 213,900	\$ 656,400			\$ -
DRPT - Metro Budget Increase Cap and Reporting				\$ -			\$ -
VDOT - Mobility Talks International				\$ -	\$ 50,000	\$ 50,000	\$ 100,000
VDOT - Study of Somerset Crossing Corridor (SJ 19)		\$ 250,000	\$ -	\$ 250,000			\$ -
VDOT - Transportation Partnership Opportunity Fund		\$ (20,000,000)	\$ -	\$ (20,000,000)			\$ -
VDOT - Toll Relief		\$ 77,000,000	\$ 15,000,000	\$ 92,000,000			\$ -
VPA - Municipal Dredging	\$ 7,500,000			\$ -			\$ -
Language Amendments				\$ -			\$ -
Total, Transportation	\$ 7,500,000	\$ 57,692,500	\$ 15,213,900	\$ 72,906,400	\$ 50,000	\$ 50,000	\$ 100,000

Report of the Subcommittee on Capital Outlay and Transportation
(Proposed Amendments to SB 29 & SB 30 as Introduced, 2024 Session)

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43	Capital Outlay Pool Detail
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45	Planning Pool
46	JMU - Renovate Johnston Hall
47	VIMS - Construct Marine Operations Administration Complex
48	VSU - Renovate Virginia Hall
49	UVA Wise - Renovate Darden Hall
50	Gunston Hall - Construct New Visitor Center (Preplanning)
51	SMV - Refurbishment and Re-Allocation of Interior Space (Preplanning)
52	GMU - Interdisciplinary Science and Engineering Building (Preplanning)
53	VCCS - Workforce Trades and Innovation Center, Paul D. Camp CC (Preplanning)
54	VCCS - Replace Buchanan and Tazewell Halls, Southwest Virginia CC (Preplanning)
55	DBHDS - Defer Child and Adolescent Psychiatric Treatment Facility Planning
56	
57	State Agency Capital Pool
58	DGS - Construct New State Office Building
59	
60	Higher Education Pool
61	NSU - Renovate/Replace Fine Arts Building
62	VSU - Waterproof Campus Buildings
63	CNU - Replace Plant Operations and Warehouse Building

February 18, 2024 Report of the Capital Outlay and Transportation Subcommittee SB 29

Item 465 #1s

Transportation	FY22-23	FY23-24	
Virginia Port Authority	\$0	\$7,500,000	GF

Language:

Page 188, line 5, strike "\$11,612,325" and insert "\$19,112,325".

Amendment Drawn to Chapter 1:

Page 552, after line 30, insert:

"D. Out of the amounts in this item, \$7,500,000 the second year from the general fund is provided to fund a pilot municipal dredge program operated by the Middle Peninsula Chesapeake Bay Public Access Authority for the dredging of shovel-ready projects, to be distributed by the Virginia Port Authority upon approval of a Municipal Dredging Operating Program and a Municipal Dredging Operating Agreement. Funding for this program is designated for shovel-ready shallow-draft dredging projects in localities identified in Chapter 66 of the Code of Virginia, or through the development of operating agreements between the Middle Peninsula Chesapeake Bay Public Access Authority and the Eastern Shore Water Access Authority or the Northern Neck Public Access Authority."

Explanation:

(This amendment provides \$7.5 million from the general fund in FY 2024 for municipal dredging projects.)

Item C-52.60 #1s

Natural and Historic Resources	FY22-23	FY23-24	
Department of Historic Resources	\$0	\$1,400,000	GF

Language:

Page 218, after line 13, insert:

"C-52.60 New Construction: Construct Clermont Farm Barn Replacement (18642)	\$0	\$1,400,000
Fund Sources: General	\$0	\$1,400,000 "

Explanation:

(This amendment provides \$1.4 million GF the second year for supplemental funding for the Construct Clermont Farm Barn Replacement (18642). This project was authorized in Item C-53.50, Chapter 2, 2022 Special Session I, to replace the barn, which burned down in 2018.)

February 18, 2024 Report of the Capital Outlay and Transportation Subcommittee SB 30

Item 438 #1s

Transportation	FY24-25	FY25-26
Department of Transportation	\$250,000	\$0 GF

Language:

Page 486, line 31, strike "\$4,019,337,848" and insert "\$4,019,587,848".

Page 488, after line 22, insert:

"N. Out of the amounts in this Item, \$250,000 the first year from the general fund is provided for the department to study the feasibility of implementing roadway and pedestrian safety improvements along Somerset Crossing Drive in Gainesville, consistent with Senate Joint Resolution 19 (2024).

Explanation:

(This amendment provides \$250,000 GF the first year for the fiscal impact of SJ 19, which directs the department to study the Somerset Crossing Corridor in Gainesville.)

Item C-48 #1s

Central Appropriations	FY24-25	FY25-26
Central Capital Outlay	(\$16,359,775)	\$0 GF
	\$250,000	\$0 NGF

Language:

Page 554, line 52, strike "\$26,623,000" and insert "\$10,513,225".

Page 555, line 2, strike "24,000,000" and insert "7,640,225".

Page 555, line 5, strike "24,000,000" and insert "7,640,225".

Page 555, strike lines 12 - 13.

Page 555, strike lines 17 - 19.

Page 555, after line 16, insert:

"212 Virginia State University Renovate Virginia Hall

216 James Madison University Renovate Johnston Hall

246 University of Virginia's College at Wise Renovate Darden Hall

268 Virginia Institute of Marine Science Construct Marine Operations Administration Complex".

Page 555, after line 37, insert:

"H. Gunston Hall is authorized to begin pre-planning for the construction of a new visitor center. The pre-planning shall be funded \$250,000 from the Central Capital Planning Fund.

I. Included in the appropriation for this item is \$250,000 from nongeneral funds for the Science Museum of Virginia to begin pre-planning for the refurbishment and

reallocation of interior space.

J. George Mason University is authorized to begin pre-planning for the construction of a Interdisciplinary Science and Engineering Building. The pre-planning shall be funded \$500,000 from the Central Capital Planning Fund.

K. Virginia Community College System is authorized to begin pre-planning for the replacement of Buchanan and Tazewell Halls at Southwest Virginia Community College. The pre-planning shall be funded \$250,000 from the Central Capital Planning Fund.

L. Virginia Community College System is authorized to begin pre-planning for the construction of the Workforce Trades and Innovation Center at Paul D. Camp Community College. The pre-planning shall be funded \$250,000 from the Central Capital Planning Fund."

Explanation:

(This amendment authorizes four projects for detailed planning, authorizes pre-planning for five projects, and defers one detailed planning project.)

	Item C-50 #1s	
Central Appropriations	FY24-25	FY25-26
Central Capital Outlay	\$214,863,076	\$0 GF

Language:

Page 556, line 32, strike "\$80,082,985" and insert "\$294,946,061".

Page 556, line 50, after "appropriated", insert, "\$214,863,076 the first year from the general fund,".

Page 557, after line 8, insert:

"212 Virginia State University Waterproof Campus Buildings (18522)

213 Norfolk State University Renovate / Replace Fine Arts Building (18543)".

Page 557, after line 19, insert:

"242 Christopher Newport University Replace Plant Operations and Warehouse Building (18704)".

Explanation:

(This amendment authorizes three higher education capital projects for full construction funding. These projects have been approved for detail planning.)